

Telecon Tim McCormick RJW 26102015

RON WARMINGTON: Well, we've got other anecdotal examples of that. You know, between you and me, you know, there's got to be blood in the gutters at the end of this, and it needs to be board members, seniors members of management. Now, what we're building up to is the baroness said to us, to Ian and myself, she's instructed Tim Parker to get to the bottom of this matter and to report back to her, which is good. She wasn't going to see us separately. She just wanted him to see us.

TIM McCORMICK: Yes.

RON WARMINGTON: But, because of pressure by Arbuthnot, Bridgen and Kevan Jones, she conceded that she probably ought to see us, and she did, and we gave her both barrels.

TIM McCORMICK: Yes.

RON WARMINGTON: We have yet to be invited to see Parker, and it will remain to be seen whether he's going to just sandbag the issue like everybody else has, or use it as an opportunity, which is what I would do, to clear the stables out.

TIM McCORMICK: Yeah. Unfortunately I've pre-empted that, maybe unfortunately, by copies and email and that. I did send it to Alan and I got a very terse reply. I sent an email to all Post Office Limited directors and senior management.

RON WARMINGTON: Right.

TIM McCORMICK: Saying that, come the arrival of the new Chairman --

RON WARMINGTON: Yep.

TIM McCORMICK: -- Paula Vennells will be under extreme scrutiny and may well be asked to leave as a result of the ongoing investigations, blah, blah, blah.

RON WARMINGTON: I bloody well hope so.

TIM McCORMICK: It's time.

RON WARMINGTON: Yeah.

TIM McCORMICK: "Hang your flag up on the right mast", I said.

RON WARMINGTON: Yeah, yeah.

TIM McCORMICK: "Because you'll be associated by association."

RON WARMINGTON: Yes.

TIM McCORMICK: "You'll be incriminated by association."

RON WARMINGTON: Absolutely.

TIM McCORMICK: I've got a copy of that email. They have had to have access to it to supply it to Mark Davis.

RON WARMINGTON: Good. Mark Davis of the lifestyle-changing IMPACT.

TIM McCORMICK: He's an arsehole.

RON WARMINGTON: He's a complete tosser. I don't know how they get these people. Actually, hang on, I do know how they got Mark Davis. Mark Davis was an assistant to Alice Perkins --

TIM McCORMICK: Yes, that is right.

RON WARMINGTON: -- or to Jack Straw in bloody Westminster. He's got no experience of corporate activity. You know, they -- well, what I've said to the Chairman -- sorry, to the baroness was that, you know, this is -- Post Office Board and its senior

management like Paula have made the fundamental, but quite common these days, mistake of allowing their public affairs department and, more seriously, their in-house legal department to make all the decisions for them.

TIM McCORMICK: Yeah.

RON WARMINGTON: Instead of having legally supported decisions made by the board, they've got legally made decisions enacted by the board, and so -- anyway, well, let's hope he sees us. But the point about the new revelation that you've come up with is that it serves to illustrate several points. In a sense, the least important point that it serves to demonstrate is that there are still bugs in the system.

TIM McCORMICK: Exactly --

RON WARMINGTON: You know, should anybody be surprised? Of course there are bugs in the system. Now, we were at pains, you probably are aware, in that, when we released that interim report, we studiously avoided using the term that there had been "systemic errors", even though there had been some disclosed to us. We steered away from that. We have now -- I've made it clear in emails to Cameron, Freeman, the minister herself, that we are now of the view that, not only did systemic bugs exist during the time of these cases arising, but that systemic bugs in all likelihood definitely still exist. Now, the point here is that, not so much does your work illustrate there are still bugs in the system --

TIM McCORMICK: Go on about trying to --

RON WARMINGTON: Exactly. It's this pathetic and incompetent response.

TIM McCORMICK: It's worse than that. It's incriminating.

RON WARMINGTON: I think it is. It's cover-up.

TIM McCORMICK: Paul -- yeah, it was cover-up. The inference from the chaps' description that it could be user interaction that has caused this is actually downright lies.

RON WARMINGTON: It is a lie. It's back to this constant attempt to blame the users of the system for anything that goes wrong, and you covered the point well in your report.

TIM McCORMICK: Yeah.

RON WARMINGTON: Where you're saying that it wasn't a false log-off by the user. The user didn't log off until an hour later.

TIM McCORMICK: The system did actually log her off, but he referred to a forced log-off, which is when you log on in -- there are two workstations in the branch. You log in on one and then you go to the other terminal and try to log in, and it automatically logs you off the other, but it does give you a warning. But in this case I don't think I've been specific enough about the branch and the actual transaction. It was a rem out. It was in an Outreach. So this woman is sitting within with both computers basically side-by-side, two benches side-by-side each other in the same office. She's then tried to (unclear) £8,000 out of one and she's turning round to the other branch and then shoving the rem in there, and the transaction that occurs, it's unique. This one is particularly unique to Outreach.

RON WARMINGTON: Ah. That's interesting. So -- what I couldn't work out from your report was how we could have a five figure, or four figure even, postage label related issue and --

TIM McCORMICK: It's not a postage.

RON WARMINGTON: No, I can see now; it's not that one.

TIM McCORMICK: It's not a postage label. No. Well, you could have. Anyway this is --

RON WARMINGTON: Ah, now I understand. Okay, it's all clear. Now I understand why your reference is it should have been credited to another branch.

TIM McCORMICK: This original transaction was £8,000. It was replicated three times. It's in a suspense account in Chesterfield.

RON WARMINGTON: Yeah, yeah.

TIM McCORMICK: I rang the (unclear) because Chesterfield didn't pick up on it. £24,000, and they didn't pick up on it on the day it happened.

RON WARMINGTON: I know. You and I both worked for Citibank. I mean, you know, I was chief investigator globally for Citibank for many years. Things like the hour account reconciliations, they had to be finished by 7 am each day.

TIM McCORMICK: Yeah.

RON WARMINGTON: You're not -- you know, you're not talking two weeks. You know, obviously, the amounts were much larger on foreign exchange settlements and all the rest, but you didn't have amounts outstanding for more than half a day.

TIM McCORMICK: Yeah, and in the Crown branch it's strictly not allowed to do it over -- the same errors occurred there as they do outstanding, and they're not allowed to have these errors outstanding, because they are corrected by transaction corrections within the day.

RON WARMINGTON: Yeah, yeah.

TIM McCORMICK: So it's --

RON WARMINGTON: All I can say is that actually -- actual evidenced programme bugs are like hen's teeth and --

like bloody dinosaur teeth actually really -- and they are -- you know, you don't need me to urge you to make sure that Post Office doesn't get its hands on the data.

TIM McCORMICK: The great example is that we have the great -- yes, not just this case. If we can link the two, the postage label case which is for a much smaller amounts, but could be --

RON WARMINGTON: In a sense --

TIM McCORMICK: I've got that fully documented with Angela van den Bogerd and Paula Vennells, who were both told about it. Angela van den Bogerd came back to me and said she'd investigated it thoroughly and spoken to subpostmasters. I know exactly which subpostmasters she spoke to. She spoke to them that branches before the meeting. I've got friends in that, and one of them -- out of the four that were there, one of them turned round and said yes, they had a similar problem.

RON WARMINGTON: Yeah.

TIM McCORMICK: Unbelievable.

RON WARMINGTON: Of the cases that we looked at, you know, there were just dozens and dozens and dozens of postage label-related issues, and of course in that instance what generally happens -- and, you know, in the simplest form it's the postage label that doesn't print out at all, but the system thinks it has and, therefore, you haven't got any evidence that it's failed to print out properly because it didn't print out. It wasn't spoilt; it just didn't exist in the first place.

TIM McCORMICK: Exactly.

RON WARMINGTON: In that instance Royal Mail gets paid twice or three times or five times.

TIM McCORMICK: That was -- when you told me that, there

was a light went off in my head, and it is actually my next blog piece. I'm going to cover that, the accounting of it, because that's just a great example of where Paula Vennells didn't understand what a loss actually amounts to.

RON WARMINGTON: Exactly. There was no -- you know, there was no real transaction there, this is just a second and third phantom despatch of, you know -- but Royal Mail gets credited with money that it shouldn't have, paid for by the postmaster.

TIM McCORMICK: Exactly.

RON WARMINGTON: You know, it is --

TIM McCORMICK: It's death by filing, to be honest. I didn't actually point out to Paula Vennells in the email. Where we're at right now, Ron, is that we've got this story, we've put it up together, we know this is the week that we really ought to do it, but the CWU channel -- the member of the CWU --

RON WARMINGTON: I have a good relationship with Mark and Andy Fury. I'm pleased that they've been following this.

TIM McCORMICK: I'm not sure Andy's on the case yet -- we haven't actually got round to him -- but he's about to be.

RON WARMINGTON: No.

TIM McCORMICK: So I think Mark's in a quandary now, how to best use this and put it out, to get it out. We want to tell everybody and all the rest of it, and we're hoping to advise -- I think, you know, he wanted to talk to Mark about it. He does want some recognition for the branch, the CWU branch, and I'm happy to stay in the background. I don't really want anything --

RON WARMINGTON: I think in due course there will be film rights to this. You will probably get Harrison Ford

to play your part.

TIM McCORMICK: If you speak to Nick Wallis, I tried my hand at -- I must have been pissed at the time but I actually wrote down -- what do you call it?

RON WARMINGTON: Screenplay?

TIM McCORMICK: Kind of screenplay.

RON WARMINGTON: Or story board.

TIM McCORMICK: Story book.

RON WARMINGTON: Story book.

TIM McCORMICK: So that was --

RON WARMINGTON: I mean, this has got -- you know, it's a bit like the Elaine (sic) Brockovich story in a way, isn't it? Not many people have died. People have died through this, killed themselves through this. So this has got everything in it and, as a case of corporate immorality -- it's almost amorality, where they don't seem to have ever learnt the difference between right and wrong.

TIM McCORMICK: I pleaded to Paula. When this arrived on my desk, I sent an email straight away to Paula. I pleaded on her compassion.

RON WARMINGTON: I know, I've seen that. Yeah, I mean, I'm an atheist, so I don't have a lot of faith in lay preachers, but --

TIM McCORMICK: You know.

RON WARMINGTON: But I know what good human behaviour is, and she doesn't illustrate it.

TIM McCORMICK: No.

RON WARMINGTON: You see what we said to the minister was the following. We said -- we focused on Post

Office's moral behaviour, its conduct throughout which was appalling. The fact that we intended to seek the truth, the Post Office agreed to that. It was to achieve finality, and what they now have is a far worse situation. There are now many more than the original 150 people. It's probably too late to avert further escalation. You know, I can't reveal it to you but there's civil legal action. Aside from the CCRC work, there's civil legal action that will be absolutely cataclysmic for Post Office.

TIM McCORMICK: Well, I'm now talking to Steve Darlington (unclear) --

RON WARMINGTON: Good.

TIM McCORMICK: He's in the --

RON WARMINGTON: And the JFSA hasn't exactly gone to sleep. They've been working on some important stuff.

TIM McCORMICK: Yes.

RON WARMINGTON: I've put -- I said there's -- you know, the fact that they were now denying from mediation in a case where there'd been any follow(?) of criminal conviction was completely -- a complete about-face. They didn't say that originally. So all these poor buggers that had had a prosecution conviction for false accounting, they've gone through all this trouble, had their cases put together at Post Office's expense and sometimes their own, and now it's all come to nothing. The Post Office told them to bugger off. We warned her about Post Office denials. I said these are seemingly compelling but in complete denial, such as on balance alterations suspense accounts and ATMs. And the balance alteration one, I said to her -- our first question, and repeated throughout, was, "Have you ever, or any of your agents ever altered branch balances without the knowledge or permission of the subpostmasters", and I said -- the replies that came back were along the lines of, "The Horizon System

does not contain the functionality to allow us to remotely access branch terminals."

TIM McCORMICK: You've got your -- have you got the email from Chesterfield?

RON WARMINGTON: Yes, of course I have, where Andy Wynn said that they did it.

TIM McCORMICK: No, no. The one I just got the one I got about this case.

RON WARMINGTON: I don't know.

TIM McCORMICK: They said -- I'll send it to you. It says rem out -- "There's £24,000 in your Outreach that's not there. So what you do is you rem it back out as if it's going to your core branch, and it won't get there because we'll fix it our end."

RON WARMINGTON: There you are. So that is an example of them doing that. Now -- so I said to her, "Look, you know, where in the question do we mention remote access? Where do we mention Horizon functionality?" You know, I don't care whether they're using Horizon, Super Zap, Nimmo. I don't care what -- a piece of software they wrote in the back room, I don't care what software they're using to do the stuff. You know, their denial, which to many MPs and others, even journalists in some cases, appear to be compelling and convincing, they're not. They're not denials of what's been asked at all. So that's what we saw in the rebuttal document, and of course Richard Roll from Fujitsu then comes onto Panorama and says, "Well, yeah, we were doing it all the time", and you know the reason for that, don't you? It's because Fujitsu was going to be fined 10 quid for every half transaction -- what we call one-sided transaction -- that was outstanding for more than 12 hours, and one night he said they passed 500,000 entries.

TIM McCORMICK: Well, I know -- well, I couldn't even tell you what the -- but that's probably the time they sent it all to Highland counsel(?).

RON WARMINGTON: Well, that was part of -- he said there were 30 people full time working on this stuff in Fujitsu.

TIM McCORMICK: Oh God.

RON WARMINGTON: So they were routinely altering branch balances. So when we reported that, you know, branches had said, "We balance the branch up at 12.30 on Saturday when we closed up, and there was no shortage, and on Monday morning there was a ruddy great shortage."

TIM McCORMICK: Yeah.

RON WARMINGTON: Hang on a minute, you know, what happened over the weekend? Well, no, it can't have done. So this determination to deny, deny, deny must go right to the top. You're dead right.

TIM McCORMICK: It has to culminate in -- I hope -- do you think -- I mean, do you think this could be the final nail?

RON WARMINGTON: Yes. I'm amazed that they don't roll over two years ago. I've never encountered such denial in the face of such overwhelming evidence, even in Africa where, you know, I was quite used to people denying that black was white -- you know, they would say that black was white. So, you know, I have never come across such an abhorrent corporate behaviour before, and I've dealt with the Mafia, I've dealt with all sorts of -- you know, I had 100 investigators working full time in Citibank. So I've seen just about every case you can possibly imagine, and this is -- this is absolutely appalling behaviour.

TIM McCORMICK: Let's -- if you'd like to speak to Mark as well.

RON WARMINGTON: Yeah, I'll give him a buzz about it.

TIM McCORMICK: Just to get some idea how to get this out

and --

RON WARMINGTON: Yeah, I speak to him once a week or so. So we haven't dropped the case. We were fired. That doesn't mean we give it up. So we will stick with this to the end and --

TIM McCORMICK: I'd love to see just a blanket resolution to the end of all the JFSA cases. I mean, just don't go into detail in each and every one. Just say, "Right, look" --

RON WARMINGTON: Well, we told them to put 300 million quid into a pot and start paying it out.

TIM McCORMICK: Yeah.

RON WARMINGTON: You know, just bite the bullet, because it's all coming out of your pocket and mine as taxpayers, you know. I'd rather do that than give them another half billion to design yet another system that they'll fuck up.

TIM McCORMICK: I'd like to see you as the next manager of Post Office Limited. That would be my -- no, seriously.

RON WARMINGTON: I tell you what --

TIM McCORMICK: You are the only person that could take it on.

RON WARMINGTON: Heads would bloody roll, I could tell you. I would -- first of all, I would probably mutualise the whole thing. I'd chop it up into 10,000 shares, and I'd give a share to each serving subpostmaster, and then we'd run it like John Lewis. The postmasters would then have the power to elect and fire the board.

TIM McCORMICK: We'd need to talk about that one, Ron. You met George Thompson surely.

RON WARMINGTON: No, I'd get rid of George. George is

a joke.

TIM McCORMICK: They elected him, the subpostmasters did.

RON WARMINGTON: Then -- all right, maybe that wouldn't work so well. But you've got to get rid of 40 per cent or more of the entire management.

TIM McCORMICK: That's tough but, again, absolutely awful. I mean, just -- yes. How could we agree?

RON WARMINGTON: In GE we fired the bottom 10 per cent of performers every year, and you just have to do that. You know, these people -- I mean, the only good thing we could find to say about Post Office was -- I said, "We were however happy with the team of case handlers that Post Office assigned to carry out its investigations. While none of them -- the 20 or so were experienced investigators, they were knowledgeable in counter operations, and the team leader seemed to have a good and sympathetic attitude. Their investigations were, however, seriously limited because some key information such as that includes in the legal files was declared to be out of bounds to them." They weren't allowed to even look at it.

TIM McCORMICK: The only thing I can say about Post Office Limited is, apart from one particular person, there's a --every other person, they're really nice. They're nice people.

RON WARMINGTON: Yeah.

TIM McCORMICK: They are genuinely --

RON WARMINGTON: Yeah.

TIM McCORMICK: They are a -- I mean, I would have a drink with them but --

RON WARMINGTON: But I think --

TIM McCORMICK: -- (unclear) totally incompetent.

RON WARMINGTON: I picked this up by saying, "It seems to us still to be a dearth of external DNA in Post Office's middle and senior management and, in consequence, there seems to be little or no experience of normal corporate behaviour. This is reflected in everything that our investigation has revealed from the initial recruitment of SPMRs, the contract, the transfer of risk from Post Office to subpostmasters, the effect of the Horizon System and its associated procedures in detecting and correcting errors, the training provided, and the rolling out of new products, and the lack of investigative services."

I said to her that, you know, unlike the sealed barrel that most companies comprise, in other words, risk acceptance decisions that are made poorly will cause losses to the company, will cause hurt to the company, in Post Office it doesn't work that way. At the centre they're making risk-acceptance decisions including, you know, to take four months to correct this programme bug, for example, and it's not them that suffers the cost of it. The risk is on the shoulders of others.

TIM McCORMICK: Would Ian Henderson not like to sort of get involved and rewrite the reports (unclear) or just put it into some sort of professional format (unclear) actually been --

RON WARMINGTON: I don't know.

TIM McCORMICK: Just -- I don't know. It's --

RON WARMINGTON: We're somewhat precluded because the way that the whole thing worked is, whereas originally the MPs sort of dictated our being hired, BEIS, run by Vince Cable, then frankly just abdicated responsibility and said, "Well, Post Office couldn't handle this and so we had to be hired by the Post Office, who then tried to narrow down the scope of what we were doing and impose on us confidentiality restrictions, not only to my company, but to us

individually personally." So when I let off to Cameron and others, they were going to sue me personally as well as the company for breach of confidentiality.

TIM McCORMICK: God. That's funny. Karl Flinders who just mentioned to me this morning that -- well, no, he mentioned it previously -- that they were going to sue him as well.

RON WARMINGTON: Yeah. Oh, yes, and I said to the minister, "They have fallen for this. They've got bottomless pockets because they're using my money and yours and all the other tax payers to pay their legal bills, and their process is always the same. They suspend the person first, then they remove all the records as part of that, so that the person has no way of proving their innocence or defending themselves, and then they use their unlimited financial resources to absolutely demolish them", which is what they did to Castleton.

TIM McCORMICK: They leave a good case because they went after and they spent £350,000 of their own money going after -- Lee offered to try and pay, and they --

RON WARMINGTON: Make no mistake, I repeated that story to her. I said, "Look, I used to be a corporate asset recovery person. I used to recover for Citibank £50 million a year on cases. Now, if one of my investigators had come to me and said, 'I've got this great idea, Ron. We've got a bloke that owes us 25,000 quid.' 'How much money has he got left', I'd say. 'None.' 'Oh, right, so you want to get 25,000 quid off somebody who's got nothing.' Okay. 'I've got this idea', says the bloke. 'I'm going to hire a firm of lawyers, and we're going to take him to the High Court. We'll win because we'll get costs against him.' 'I thought you said he's got no money.' 'Yeah that's right.' 'So, if he's got no money, who's going to pay the legal fees?' 'Well, we will.' 'How much do you reckon to pay?' 'Well, 350,000 quid.' 'Hang on a minute. He owes

25,000 quid. You want to spend 350,000 quid recovering 25 ...'" And at the end of the day, do you know how much they actually recovered?

TIM McCORMICK: He told me the other day it was less than 25,000.

RON WARMINGTON: They didn't -- he didn't pay them anything.

TIM McCORMICK: I know. He paid £1,300, didn't he?

RON WARMINGTON: Yes, exactly. So it cost you and me the taxpayer 350,000 quid for them to -- and, when I said this to the Susan Crichton, the general counsel at the time, she said, "I can't believe we did that", and I said, "You're bloody right." What moron would actually do that? I said, "There's only one reason they did that. They wanted to rub his nose in it and humiliate him and use him as an example to the others."

TIM McCORMICK: He got -- I'm going to go away and think about it because -- I do enjoy writing. I mean, I've got -- I'm thinking there's something -- there's a comedy programme in this. There is, you know, with the -- you know the one I did for the BBC?

RON WARMINGTON: Yeah, yeah.

TIM McCORMICK: On the Olympics or what have you. I could write one.

RON WARMINGTON: You could really, yeah. It would be -- you know, I thought of writing a spoof investigation report on this that would sum up all the examples of things. I mentioned to the minister, I said, "They didn't even care whether the people they hired had the slightest level of competence or ability to do this work", which is more complicated than being a bank manager. I said, "Frankly, as long as the person had a pulse, they would be approved", and, frankly, I think some people that didn't have

a pulse probably got approved.

TIM McCORMICK: Ron, when I go into the Post Office here, I applied for a job at the local delivery office as a Royal Mail delivery person --

RON WARMINGTON: Yeah.

TIM McCORMICK: -- and my wife who was currently in the shop about to buy something. But if you do that and go online and apply, you have to pass an aptitude test, which is seriously difficult and I failed.

RON WARMINGTON: There isn't such a test for the president -- and why would that be? Because the risk is all on the person -- so I said, "You have people that train say, 'I've never used a computer before. Do you think I'll be okay?' and Post Office said, 'Oh, you'll be fine.'"

TIM McCORMICK: We could go on and on.

RON WARMINGTON: Okay, you --

TIM McCORMICK: But it's great talking to you.

RON WARMINGTON: All right, I'll call Mark, square that away. Keep in touch.

TIM McCORMICK: That was good.

RON WARMINGTON: Bye.

TIM McCORMICK: Bye.

(Call ends)

(Recording ends)